

Milwaukee County Employees' Retirement System (ERS)

Investment Committee Meeting

MINUTES

Call to Order:

Chairperson, Sarah Peck called the meeting to order at 2:39 pm, on 10-4-10, in Room 203-P, of the Milwaukee County Courthouse, 901 N. 9<sup>th</sup> Street, Milwaukee, WI. 53233.

Roll Call:

Board Members Present:

Jeffrey Mawicke  
Keith Garland  
John Maier  
Sarah Peck  
Linda Bedford

Others Present

Dale Yerkes  
Brett Christenson  
Ray Caprio  
John Gray

1. Topic: **Flash Report - Marquette**

September return for the stock market was about 9% and the bond market also had a good month.

2. Topic: **Trading Cost Analysis**

The topic was postponed.

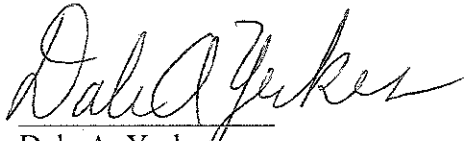
3. Topic: **Private Equity Education – Adams Street**

John Gray from Adams Street distributed an overview of his firm's structure and performance and private equity in general. In order to attain the fund's target of 5% allocation to private equity, ERS should make commitments to this asset class either annually or biannually. Actual market value of this class should be about 85% of funds committed to it.

Private equity has a 15-year life cycle and a cumulative cash flow that is called a "J" curve. Cumulative cash flow starts out negative until about year 5 or 6 when it breaks even. Years 7 thru 15 should generate positive cash flow.

Adams Street's return on investment has been about 500 basis points above the US stock market. The downside to private equity is that it is illiquid.

4. Adjournment: **The Investment Committee adjourned at 4:06 pm.**

A handwritten signature in cursive script, reading "Dale A. Yerkes". The signature is written in black ink and is positioned above a horizontal line.

Dale A. Yerkes  
Fiscal Officer ERS